

Memorandum

November 28, 2005

To: All Employees

From: Wilma Cardona

Subject: Voluntary Supplemental Retirement Plan (403b)

Section 402(g) Limit on Elective Deferrals

The maximum that participants can contribute to their account in the voluntary supplemental retirement plan will increase from \$14,000 to \$15,000 per calendar year. The \$15,000 limit becomes effective on January 1, 2006. Beginning in 2007, the limit will be indexed in \$500 increments.

Catch-up Elective Deferrals

Employees age 50 and older, or who will become age 50 at any time during 2006 may make elective deferred contributions beyond the \$15,000 limit in 2006. These employees will be able to contribute an **additional \$5,000 in 2006**. Beginning in 2007, catch-up contributions will be indexed in \$500 increments. The catch-up will apply only to those employees who are making the maximum contribution of \$15,000.

General Information

If you want to make a change in the amount you contribute to your supplemental retirement account for calendar year 2006, complete the attached Salary Reduction Agreement and return it to the Benefits Office. **Weekly paid employees will need to submit the form by December 16, 2005 with an effective date of January 1, 2006, in order to have their contribution divided by 52 pay periods. Monthly paid employees will need to submit the form by January 9, 2006, if they want the contribution deducted from their January check and in order to have the contribution divided into 12 pay periods.**

The preceding deadline dates are for those who prefer to have the same dollar amount taken out of each paycheck. You can change your contribution at any time of the year and still be able to make the maximum contribution. You do not have to contribute the maximum; you can contribute a lesser amount.

If you have any questions, please feel free to call the Benefits Office at extension 4361, 4362 or 3395.